



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD.
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE:
FAX:

(302) 736-7500
(302) 739-4849

MEMORANDUM

TO: The Chair and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst

A handwritten signature in blue ink, appearing to read "LBD", enclosed in a hand-drawn oval.

DATE: October 24, 2017

SUBJECT: IN THE MATTER OF THE APPLICATION OF THE TOWN OF FELTON FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO PURSUANT TO 26 DEL. C. § 203C (FILED APRIL 18, 2008) **PSC DOCKET NO. 08-CPCN-08**

IN THE MATTER OF THE APPLICATION OF THE TOWN OF FELTON TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED OCTOBER 18, 2017) **PSC DOCKET NO. 17-1091**

The Town of Felton ("Felton" or the "Town") is a utility providing water services for public use and subject to the regulatory jurisdiction of the Delaware Public Service Commission ("Commission"). On July 8, 2008, the Commission granted Felton's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for one parcel of land located within the Town of Felton, Kent County, Delaware, more specifically identified by Kent County Tax Map Parcel number 139.00-01-41.00, known as the D & R Subdivision. After the original CPCN was granted, the one parcel was subdivided into seven parcels: 139.00-01-41; 139.00-01-41.01; 139.00-01-41.02; 139.00-01-41.03; 139.00-01-41.04; 139.00-01-41.05; and 139.00-01-41.06 (the "Parcels"). On October 18, 2017, Felton submitted an application (the "Application") with the Commission seeking to abandon or discontinue its CPCN for water operations or services for D & R Estates.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* § 203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* § 203A(d)(2).

Finally, the Commission shall approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* § 203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Town provided a verified Application requesting to abandon a CPCN related to the Parcels' water service. Staff believes the abandonment is reasonable because water service is not currently being provided to the Parcels. The abandonment is necessary because the Parcels' landowner requested that Felton remove such Parcels from its CPCN service area. The landowner states that since the CPCN was granted, the development, which at one point had been subdivided into 11 lots, currently consists of only 5 buildable lots and it will be a hardship and not cost effective to stay within the CPCN. The landowner has asked to abandon the CPCN so the Parcels can be served by private wells. Finally, the abandonment will not be unduly disruptive to the present convenience and necessity as no existing Felton customers are located on the Parcels. Hence, if the Commission grants the Town's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from other sources or private wells.

Therefore, Staff recommends that the Commission grant Felton's request to abandon its CPCN.